

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED SEPTEMBER 30, 2015

	NOTES	JULY THROUGH SEPT	YEAR-TO-DATE
REVENUES			
Tolling revenue	1	\$ 17,079,599	\$ 17,079,599
Debt service reimbursement (FHWA)	2	82,147,838	82,147,838
Transponder sales	3	143,150	143,150
Toll vendor contractual damages	4	64,501	64,501
Toll bill reprocessing fee	5	306,362	306,362
Interest income		66,016	66,016
Miscellaneous	6	14,340	14,340
TOTAL REVENUES		99,821,806	99,821,806
EXPENDITURES			
Goods and Services			
Toll CSC operations vendor contract	7	1,212,979	1,212,979
Toll lane vendor contract		82,036	82,036
Insurance	8	2,219,557	2,219,557
Credit card and bank fees		337,007	337,007
Transponder cost of goods sold	9	104,620	104,620
Pay-by-mail		268,038	268,038
Other	10	189,076	189,076
Total Goods and Services		4,413,313	4,413,313
Personal service contracts	11	360,441	360,441
Salaries and benefits		341,713	341,713
Maintenance and Operations	12	32,503	32,503
TOTAL EXPENDITURES		5,147,970	5,147,970
DEFICIENCY OF REVENUES OVER EXPENDITURES		94,673,836	94,673,836
OTHER FINANCING SOURCES (USES)			
Bonds issued			-
Operating Transfer In			-
Operating transfers out - debt service	13	(6,506,244)	(6,506,244)
Operating transfers out - GARVEE debt service		(82,147,383)	(82,147,383)
TOTAL OTHER FINANCING USES		(88,653,627)	(88,653,627)
NET CHANGE IN FUND BALANCE		6,020,209	6,020,209
FUND BALANCE - BEGINNING		47,968,808	47,968,808
FUND BALANCE - ENDING		\$ 53,989,017	\$ 53,989,017

The notes to the financial statements are an integral part of this statement.

NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED SEPTEMBER 30, 2015

Tolling Subsidiary Accounting System – Repeat independent audits of service organization controls (SOC) have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes

1. **Tolling Revenue** – Revenue earned, net of any adjustments, from tolls on vehicles traveling over the 520 Bridge, which are collected by either *Good To Go!* electronic toll accounts or pay-by-mail.
2. **Debt Service Reimbursement (FHWA)** – Federal Highway Administration Revenue provided for debt service on GARVEE bonds (Series 2012F & Series 2014C). These revenues are received every six months and the associated operating transfers out occur at the same time.
3. **Transponder Sales** – Sales of transponder devices to potential and existing *Good To Go!* electronic toll account customers.
4. **Toll Vendor Contractual Damages** – Charges to ETCC for not meeting Key Performance Indicators (KPIs), totaling \$63,699 and the short-term portion of future amounts due from ETCC, totaling \$254,796.
5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings.
6. **Miscellaneous Revenue** – This can include revenue for administrative and statement fees, NSF check fees, cash over, payments related to sale of surplus property, and prior period recoveries.
7. **Toll CSC Operations Vendor Contract** – Payment for monthly CSC operations costs.
8. **Insurance** – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).
9. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders.
10. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, printing, and registered owner look up costs.
11. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
12. **Maintenance and Operations** – Cost of maintenance activities on the SR520 Corridor.
13. **Operating Transfers Out – debt service** – Transfers of cash to the Toll Facility Bond Retirement Account to facilitate the payment of debt service on the Series 2012C, 2012F, and 2014C bonds. The GARVEE transfer out for the Series 2012F & 2014C bonds is paid by a reimbursement from FHWA (Note 2).